

## § 764.457

(6) The proposed locations where training will take place;

(7) The cost per participant, including cost for additional members of a farming operation;

(8) The minimum and maximum class size;

(9) The vendor's experience in developing and administering training to farmers;

(10) The monitoring and quality control methods the vendor will use;

(11) The policy on allowing Agency employees to attend the course for monitoring purposes;

(12) A plan of how the needs of applicants with physical, mental, or learning disabilities will be met; and

(13) A plan of how the needs of applicants who do not speak English as their primary language will be met.

### § 764.457 Vendor requirements.

(a) *Minimum experience.* The vendor must demonstrate a minimum of 3 years of experience in conducting training courses or teaching the subject matter.

(b) *Training objectives.* The courses provided by a vendor must enable the applicant to accomplish one or more of the following objectives:

(1) Describe the specific goals of the farming operation, any changes required to attain the goals, and outline how these changes will occur using present and projected cash flow budgets;

(2) Maintain and use a financial management information system to make financial decisions;

(3) Understand and use an income statement;

(4) Understand and use a balance sheet;

(5) Understand and use a cash flow budget; and

(6) Use production records and other production information to identify problems, evaluate alternatives, and correct current production practices to improve efficiency and profitability.

(c) *Curriculum.* At least one of the following subjects must be covered:

(1) Business planning courses, covering general goal setting, risk management, and planning.

(2) Financial management courses, covering all aspects of farm accounting

## 7 CFR Ch. VII (1–14 Edition)

and focusing on integrating accounting elements into a financial management system.

(3) Crop and livestock production courses focusing on improving the profitability of the farm.

(d) *Instructor qualifications.* All instructors must have:

(1) Sufficient knowledge of the material and experience in adult education;

(2) A bachelor's degree or comparable experience in the subject area to be taught; and

(3) A minimum of 3 years experience in conducting training courses or teaching.

### § 764.458 Vendor approval.

(a) *Agreement to conduct training.* (1) Upon approval, the vendor must sign an agreement to conduct training for the Agency's borrowers.

(2) The agreement to conduct training is valid for 3 years.

(3) Any changes in curriculum, instructor, or cost require prior approval by the Agency.

(4) The vendor may revoke the agreement by giving the Agency a written 30-day notice.

(5) The Agency may revoke the agreement if the vendor does not comply with the responsibilities listed in the agreement by giving the vendor a written 30-day notice.

(b) *Renewal of agreement to conduct training.* (1) To renew the agreement to conduct training, the vendor must submit in writing to the Agency:

(i) A request to renew the agreement;

(ii) Any changes in curricula, instructor, or cost; and

(iii) Documentation that the vendor is providing effective training.

(2) The Agency will review renewal requests in accordance with § 764.457.

### § 764.459 Evaluation of borrower progress.

(a) The vendor must provide the Agency with a periodic progress report for each borrower enrolled in training in accordance with the agreement to complete training. The reports will indicate whether the borrower is attending sessions, completing the training program, and demonstrating an understanding of the course material.

**Farm Service Agency, USDA****Pt. 765**

(b) Upon borrower completion of the training, the vendor must provide the Agency with an evaluation of the borrower's knowledge of the course mate-

rial and assign a score. The following table lists the possible scores, the criteria used to assign each score, and Agency consideration of each score:

Score	Criteria used to determine score	Agency consideration
1 .....	If the borrower: <ul style="list-style-type: none"> <li>• Attended sessions as agreed, .....</li> <li>• Satisfactorily completed all assignments, and .....</li> <li>• Demonstrated an understanding of the course material..</li> </ul>	Training requirement associated with course is complete.
2 .....	If the borrower: <ul style="list-style-type: none"> <li>• Attended sessions as agreed, and .....</li> <li>• Attempted to complete all assignments, but .....</li> <li>• Does not demonstrate an understanding of the course material..</li> </ul>	Training requirement associated with course is complete. Additional Agency supervision may be necessary.
3 .....	If the borrower did not: <ul style="list-style-type: none"> <li>• Attend sessions as agreed, or .....</li> <li>• Attempt to complete assignments, or .....</li> <li>• Otherwise make a good faith effort to complete the training..</li> </ul>	Training requirement associated with course is not complete. The borrower is ineligible for future direct loans until the training is completed.

## **PART 765—DIRECT LOAN SERVICING—REGULAR**

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### **Subpart A—Overview**

765.1 Introduction.  
765.2 Abbreviations and definitions.  
765.3–765.50 [Reserved]

### **Subpart B—Borrowers with Limited Resource Interest Rate Loans**

765.51 Annual review.  
765.52–765.100 [Reserved]

### **Subpart C—Borrower Graduation**

765.101 Borrower graduation requirements.  
765.102 Borrower noncompliance with graduation requirements.  
765.103 Transfer and assignment of Agency liens.  
765.104–765.150 [Reserved]

### **Subpart D—Borrower Payments**

765.151 Handling payments.  
765.152 Types of payments.  
765.153 Application of payments.  
765.154 Distribution of payments.  
765.155 Final loan payments.  
765.156–765.200 [Reserved]

### **Subpart E—Protecting the Agency's Security Interest**

765.201 General policy.  
765.202 Borrower responsibilities.  
765.203 Protective advances.  
765.204 Notifying potential purchasers.  
765.205 Subordination of liens.  
765.206 Junior liens.

765.207 Conditions for severance agreements.

765.208–765.250 [Reserved]

### **Subpart F—Required Use and Operation of Agency Security**

765.251 General.  
765.252 Lease of security.  
765.253 Ceasing to operate security.  
765.254–765.300 [Reserved]

### **Subpart G—Disposal of Chattel Security**

765.301 General.  
765.302 Use and maintenance of the agreement for the use of proceeds.  
765.303 Use of proceeds from chattel security.  
765.304 Unapproved disposition.  
765.305 Release of security interest.  
765.306–765.350 [Reserved]

### **Subpart H—Partial Release of Real Estate Security**

765.351 Requirements to obtain Agency consent.  
765.352 Use of proceeds.  
765.353 Determining market value.  
765.354–765.400 [Reserved]

### **Subpart I—Transfer of Security and Assumption of Debt**

765.401 Conditions for transfer of real estate and chattel security.  
765.402 Transfer of security and loan assumption on same rates and terms.  
765.403 Transfer of security to and assumption of debt by eligible applicants.  
765.404 Transfer of security to and assumption of debt by ineligible applicants.